

# Briefing for Earnings Results for the Fiscal Year Ended June 2024

August 20, 2024

&Do Holdings Co., Ltd  
【3457】



## FY6/2024 Full-year results

- Results hit record highs, with operating profit and bottom-line profit up by double digits YoY

(Millions of yen)	FY6/2024 Result	FY6/2024 ( fct. )	Compared to initial plan	YoY
Net sales	<b>67,579</b>	<b>57,370</b>	<b>+ 17.8%</b>	<b>+ 36.4%</b>
Operating profit	<b>3,587</b>	<b>3,600</b>	<b>- 0.3%</b>	<b>+ 13.0%</b>
Ordinary profit	<b>3,457</b>	<b>3,600</b>	<b>- 4.0%</b>	<b>+ 2.9%</b>
Profit	<b>2,476</b>	<b>2,376</b>	<b>+ 4.2%</b>	<b>+ 12.8%</b>

# FY6/24 Summary of Consolidated Statement of Income

Net Sales (millions of yen)

Operating Profit

Ordinary Profit

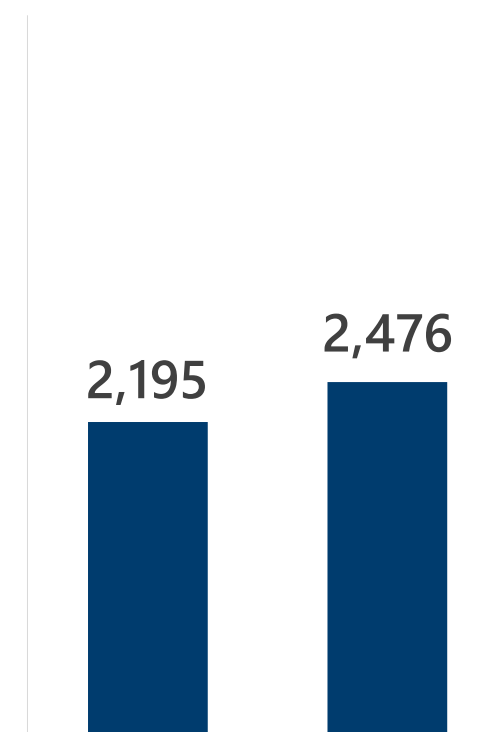
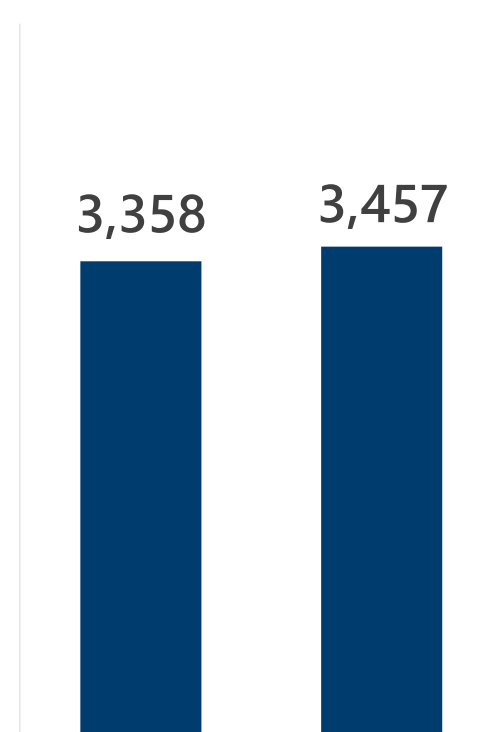
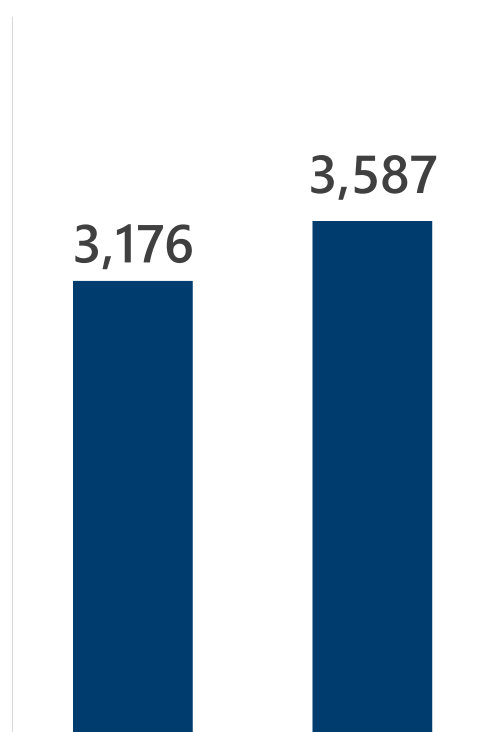
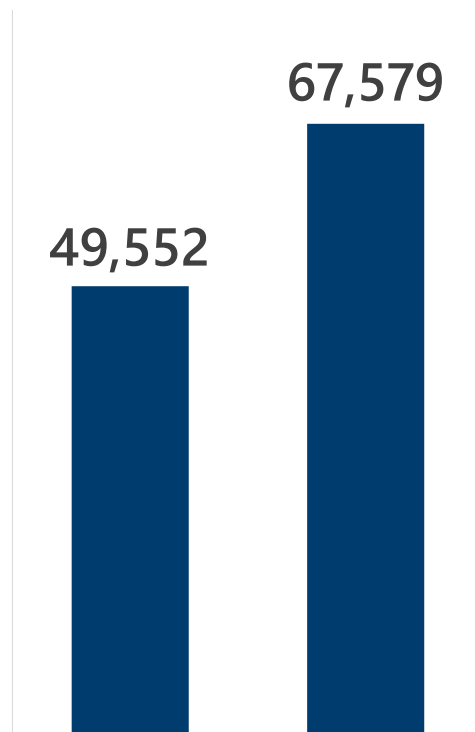
Profit

YoY +36.4 %

YoY +13.0 %

YoY +2.9 %

YoY +12.8 %



FY6/23

FY6/24

FY6/23

FY6/24

FY6/23

FY6/24

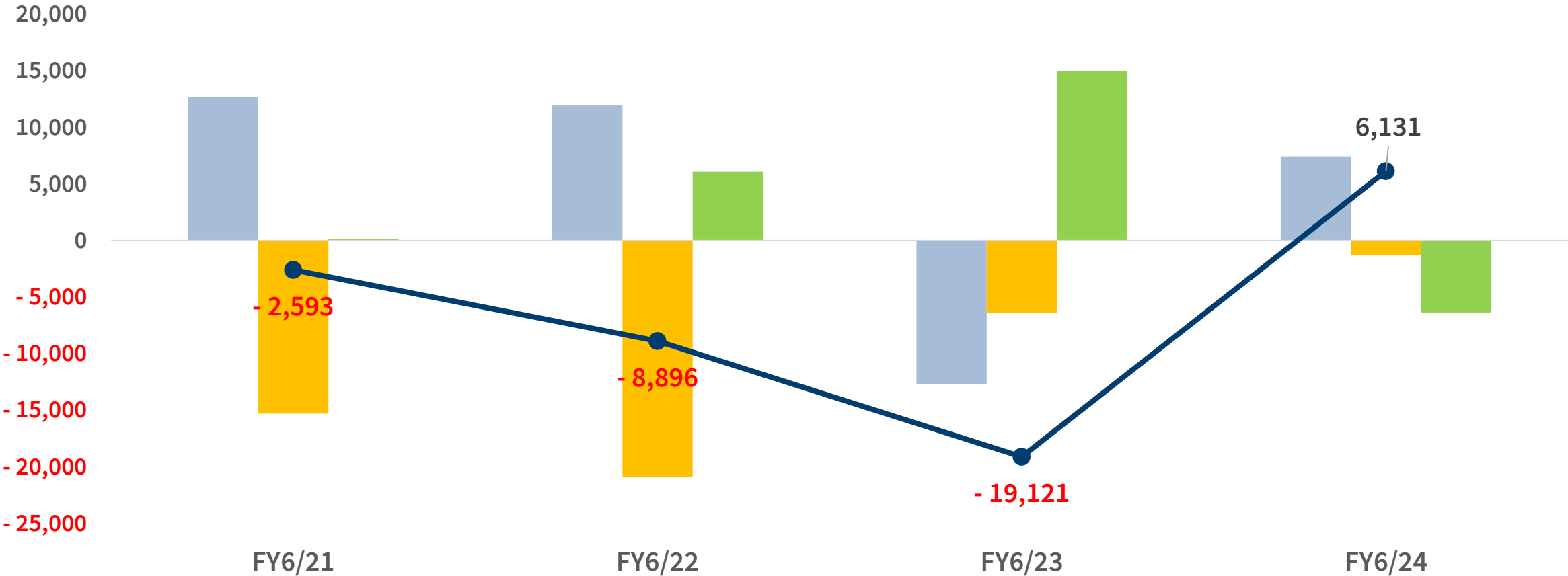
FY6/23

FY6/24

# Cash Flow

(millions of yen)

■ Cashu flows from operating activeties ■ Cash flow from investing activeties  
■ Cash flow from finacing activeties ● Free cash flow



# FY6/2024 Percentage of achievement against the initial plan

■ Net Sales (millions of yen)

■ Operating Profit

■ Ordinary Profit

■ Profit

Compare to initial plan **+17.8 %**

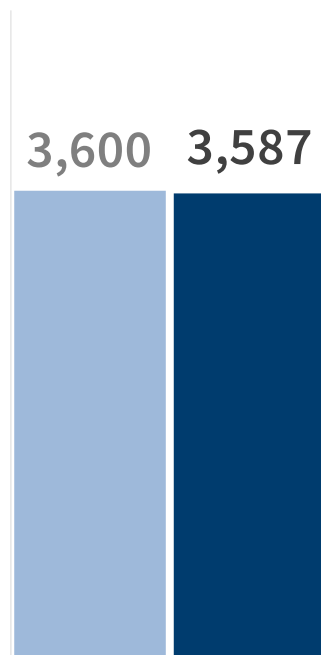
Compare to initial plan **-0.3 %**

Compare to initial plan **-4.0 %**

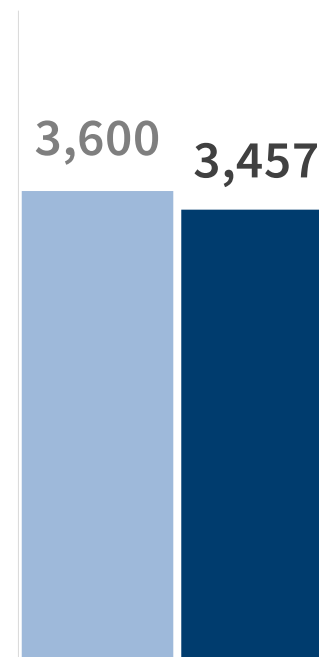
Compare to initial plan **+4.2 %**



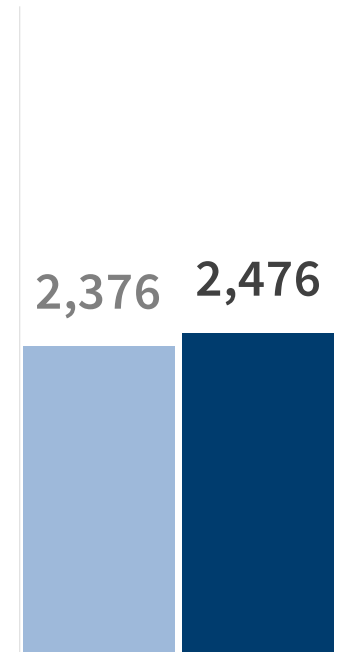
FY6/2024 (fct.)    FY6/2024 Result



FY6/2024 (fct.)    FY6/2024 Result



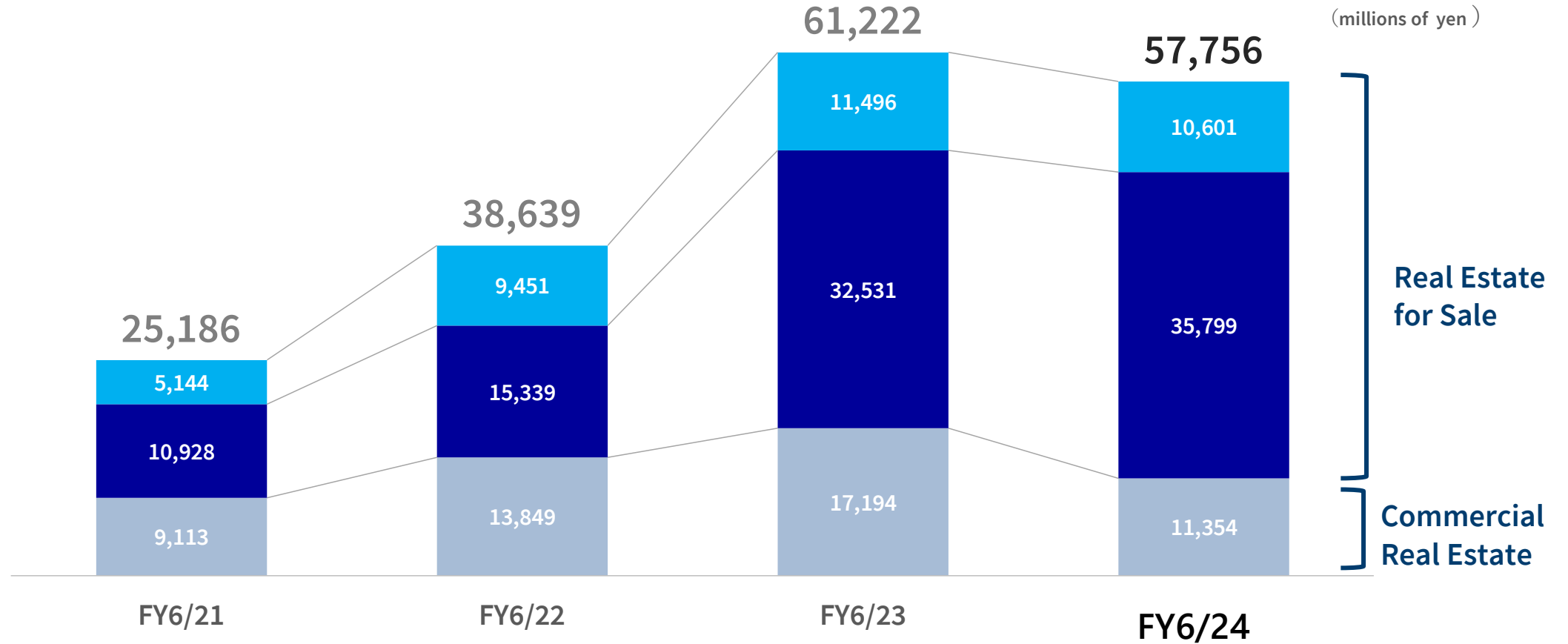
FY6/2024 (fct.)    FY6/2024 Result



FY6/2024 (fct.)    FY6/2024 Result

# Status of Real Estate Owned

■ Non-current assets(building+land) 
 ■ Real Estate Buying and Selling Business 
 ■ House-Leaseback 
 \* Note: Based on book value excluding vacancies



Note: All House-Leaseback properties prior to FY6/22 are retroactively assumed to be real estate for sale.

# Consolidated Balance Sheet 【Assets】

(millions of yen) (百万円)	FY6/23	FY6/24	YoY change
<b>Current assets</b>	58,873	60,217	+ 1,344
Cash and deposits	10,314	10,092	-222
Inventories	44,193	46,692	+ 2,498
Other	4,365	3,433	-932
<b>Non-current assets</b>	24,154	19,350	-4,803
Property, plant and equipment	17,386	11,392	-5,994
Intangible assets	1,476	1,477	+0
Investments and other assets	5,290	6,481	+ 1,190
<b>Total assets</b>	83,027	79,568	-3,459
Current Ratio	173.9%	186.5%	+12.6pt
Fixed Ratio	157.3%	112.4%	-44.9pt

# Consolidated Balance Sheet 【 Liabilities and Net Assets】

(millions of yen)	FY6/23	FY6/24	YoY change
<b>Liabilities</b>	67,632	<b>62,318</b>	-5,314
Current liabilities	33,849	<b>32,288</b>	-1,560
Non-current liabilities	33,783	<b>30,029</b>	-3,753
<b>Net assets</b>	15,395	<b>17,250</b>	+ 1,854
Shareholders' equity	15,343	<b>17,196</b>	+ 1,853
Accumulated other comprehensive income	11	<b>23</b>	+ 11
Subscription rights to shares	40	<b>30</b>	- 10
<b>Total liabilities and net assets</b>	83,027	<b>79,568</b>	-3,459
D/E Ratio	+4.0 times	<b>+3.2 times</b>	-0.8 times
Shareholder's equity ratio	18.5%	<b>21.6%</b>	+3.1 pt

■ Liabilities and total assets decreased, contributing to a recovery in financial position.  
 Shareholder's equity ratio → increased 3.1pt to 21.6%



# Selling, General and Administrative Expenses

(Millions of yen)

	FY6/23		FY6/24		YoY change
		% to sales		% to sales	
<b>SG&amp;A expenses</b>	12,155	24.5%	<b>12,847</b>	<b>19.0%</b>	<b>+ 5.7%</b>
Personnel	4,788	9.7%	4,787	7.1%	-0.0%
Advertising and promotion	1,927	3.9%	1,875	2.8%	-2.7%
Office maintenance	336	0.7%	298	0.4%	-11.2%
Others	5,102	10.3%	5,885	8.7%	+ 15.3%

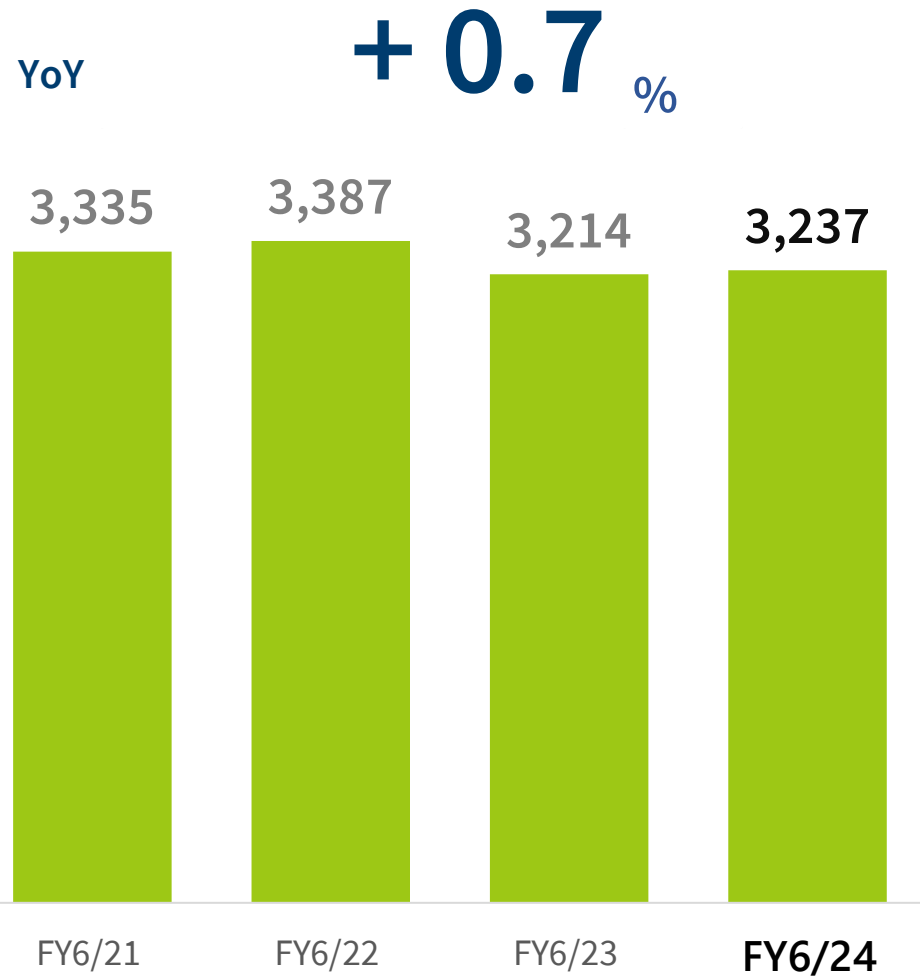
( **Gross profit**                      **15,331**                      **30.9%**                      **16,434**                      **24.3%** )

- Advertising expenses decreased YoY, as advertising investments in areas other than growth-driving businesses were controlled
- Aggressively invest in securing sales personnel to improve profitability in the growth-driving businesses

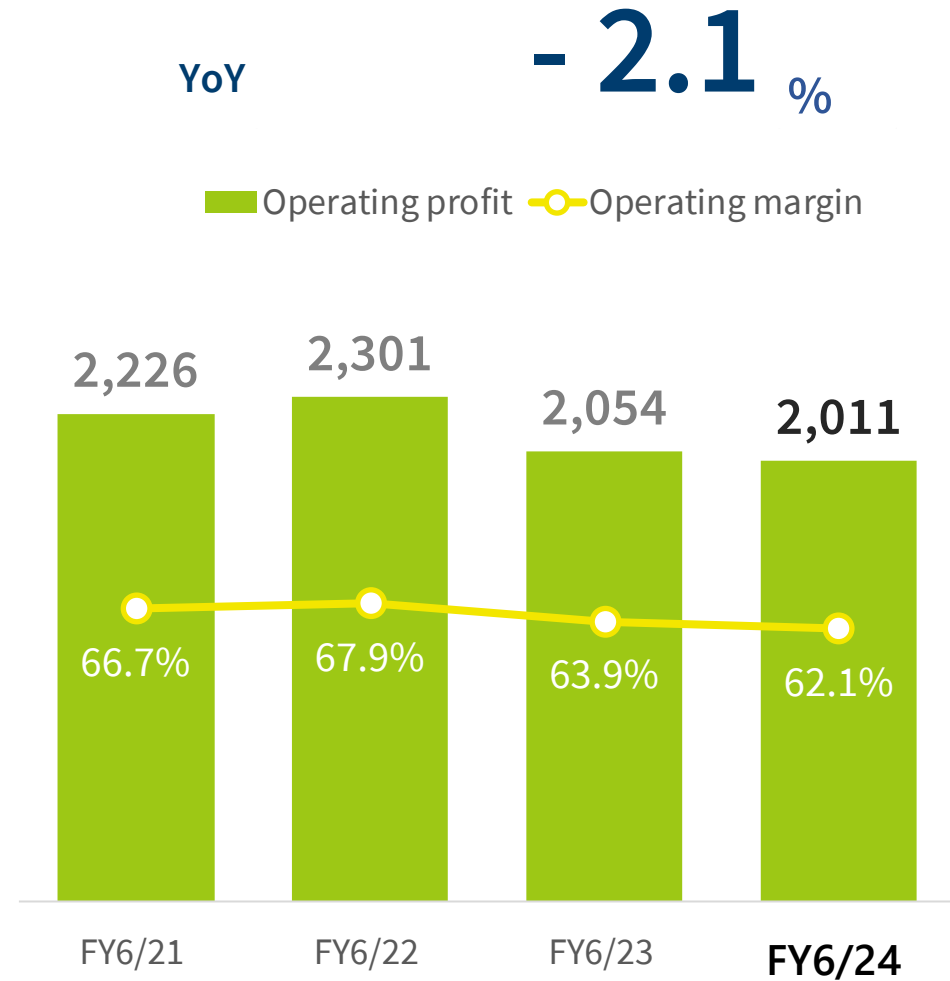
FY6/2024 **Sales and Profit by Business Segment**  
(Growth-driving Businesses)

Unit: millions of yen	Net Sales			Operating Profit		
	FY6/23	FY6/24	YoY change	FY6/23	FY6/24	YoY change
Franchisee	3,214	<b>3,237</b>	+ 0.7%	2,054	<b>2,011</b>	- 2.1%
House-Leaseback	22,306	<b>26,088</b>	+ 17.0%	3,250	<b>3,208</b>	- 1.3%
Finance	525	<b>491</b>	- 6.5%	116	<b>105</b>	- 9.5%
Real Estate Buying and Selling	19,895	<b>34,444</b>	+ 73.1%	1,782	<b>2,386</b>	+ 33.9%

## Change in Net Sales (Millions of yen)



## Changes in Operating Profit (Millions of yen)



# House-Leaseback Business: Gain on investment in silent partnerships

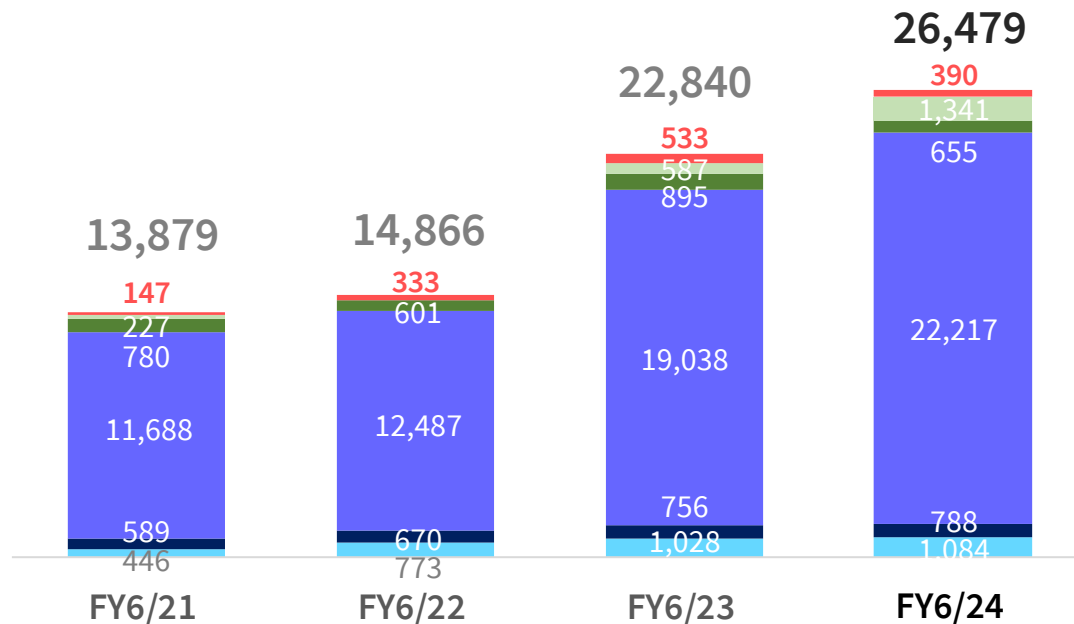
■ Assume profit distribution from HLB funds (gain on investment in silent partnerships = non-operating income) is included in segment results

## Changes in Net Sales

(Millions of yen)

YoY change **+ 15.9 %**

- Gain on investment in silent partnerships
- Profit sales
- Leasing revenue
- Income from sales
- Fees and others
- Rent income

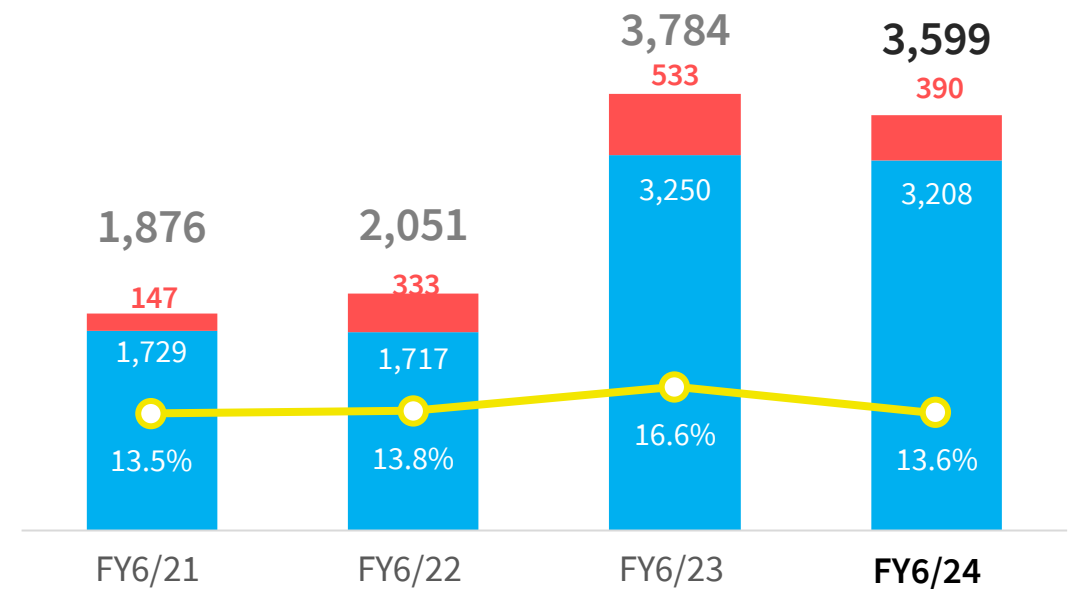


## Changes in Operating Profit

(Millions of yen)

YoY change **- 4.9 %**

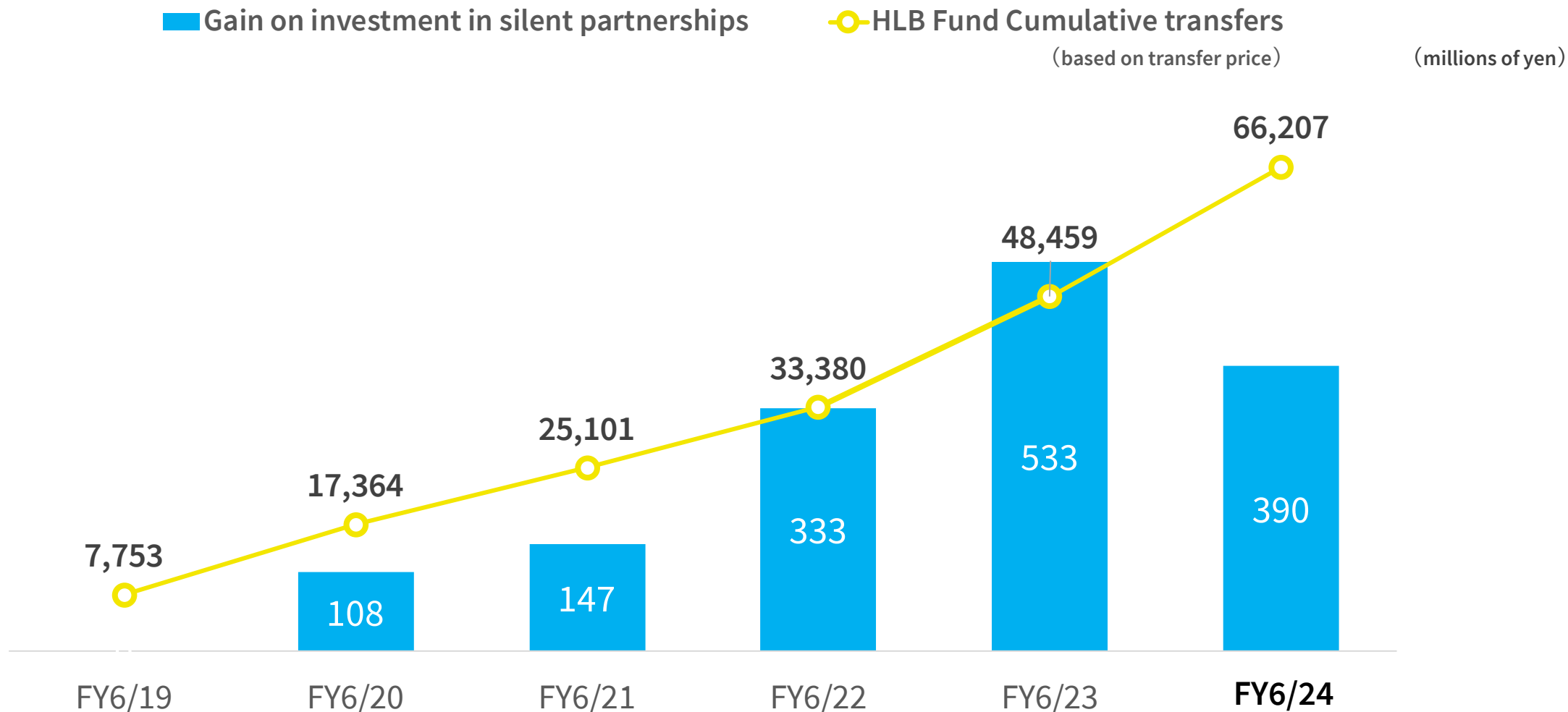
- Operating profit
- Gain on investment in silent partnerships
- Profit ratio



Note: Results prior to FY6/2021 are reference values reclassified to the new business segment classifications.

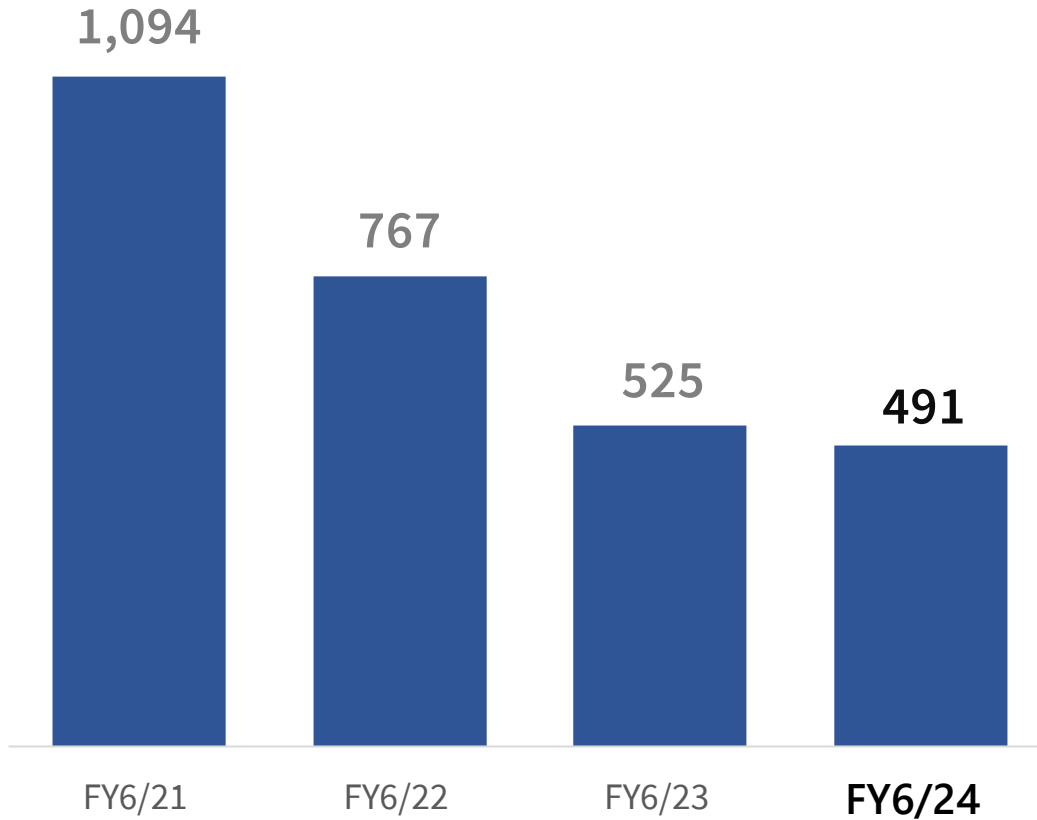
# Changes in HLB Funds and Gain on investment in silent partnerships

■ The setback in gain on investment in silent partnerships in FY6/24 was due to irregular recording for HLB funds in the beginning of formation → from FY6/25 onward, will accumulate normally



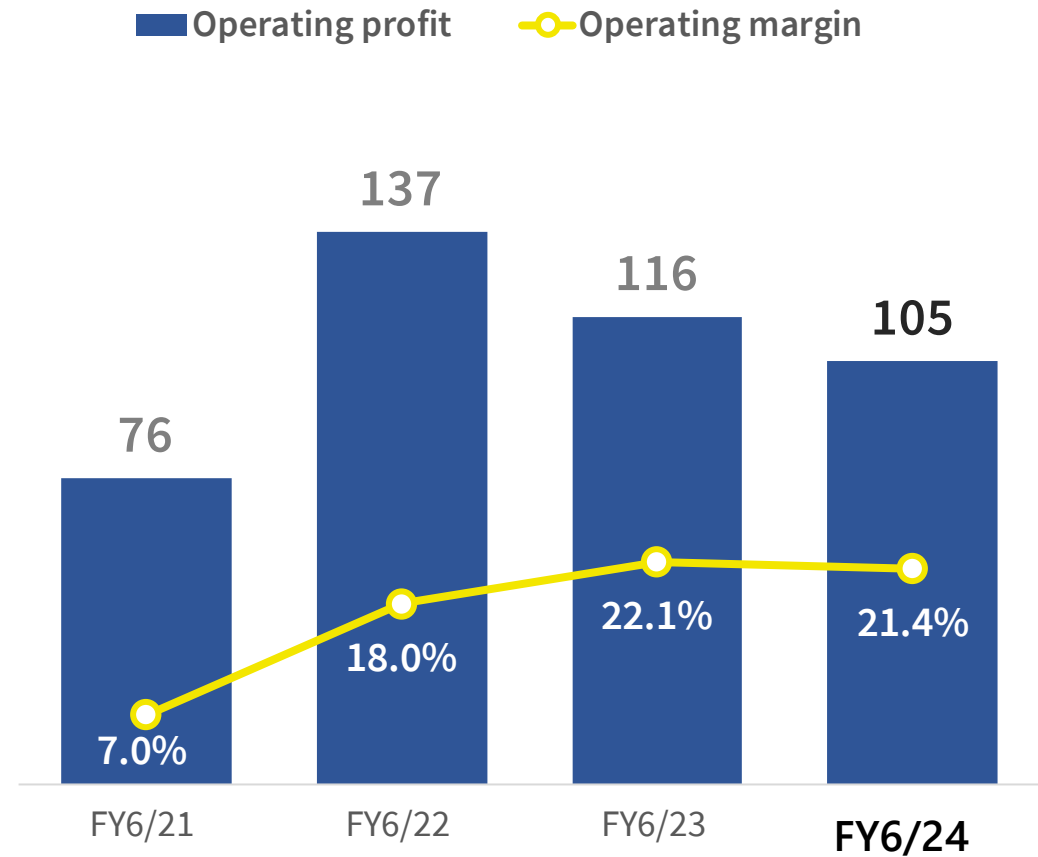
**Change in Net Sales**  
(Millions of yen)

YoY **- 6.5 %**



**Changes in Operating Profit**  
(Millions of yen)

YoY **- 9.5 %**



# Key Indicators by Segment: Alliance with Financial Institutions in Reverse Mortgage Guarantee Business

**52** (as of Aug. 14, 2024)  
**Alliance with Financial Institutions**

Note : based on head released date

Tohoku · Hokuriku	
The Taiko bank,Ltd.	Fukushima Bank
Toyama Shinkin Bank	

Kanto Area	
Asahi Shinkin bank	Showa Shinkin Bank
Adachiseiwa Shinkin bank	Takinogawa shinkin bank
Kanagawa Bank	Tama shinkin bank
Kawaguchi-Shinkin Bank	Chunan shinkin bank
Kiraboshi Bank	Toei shinkin bank
Komatsugawa Shinkin Bank	Tokyo City Shinkin bank
The Saitamaken Shinkin Bank	The Tokyo Star bank
Saitama Resona Bank	Tokyo Higashi Shinkin Bank
Sagami Shinkin Bank	Tokyo Bay Shinkin
The Sawayaka Shinkin Bank	Hanno Shinkin Bank
Shiba Shinkin Bank	Rakuten Bank

Chugoku/Shikoku Area	
Ehime bank	Shikoku Bank
Kasaoka Shinkumi Bank	Tamashima Shinkin Bank
Kure Shinkin Bank	Chugoku Bank
The Bank of Kochi	

Kinki Area	
Osaka Shoko Shinkin Bank	Shiga Chuou Shinkin Bank
Osaka Shinkin Bank	The Tajima Bank
Kansai Mirai Bank, Limited	Nagahama Shinkin Bank
Keiji Credit Association	The Nanto Bank
Koto Shinkin Bank	Resona Bank, Limited.

Tokai Area	
Enshu Shinkin Bank	Chunichi Shinkin Bank <b>NEW</b>
San ju San bank	Hamamatsu Iwata shinkin bank
Shizuoka Bank	Bisai Shinkin bank
The Seishin Shinkin Bank	Fuji Shinkin Bank
Chita Shinkin bank	Mishima Shinkin Bank

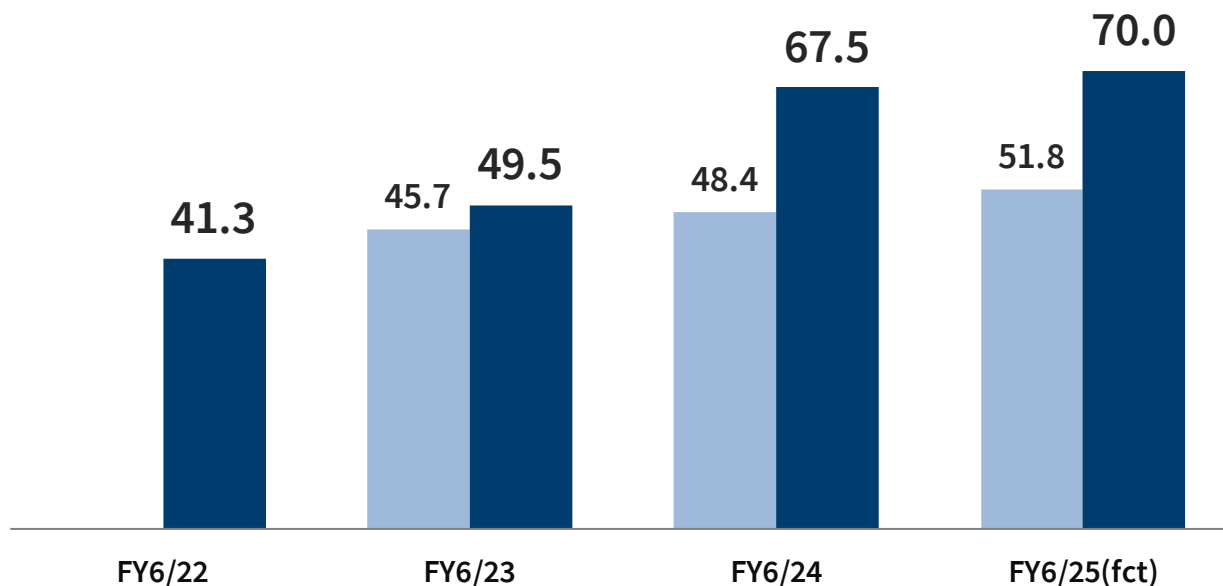
Note : the syllabary order and Area is classified based on head office location

## Ordinary profit of ¥4.0 bn in FY6/25

### Sales Plan

(¥bn)

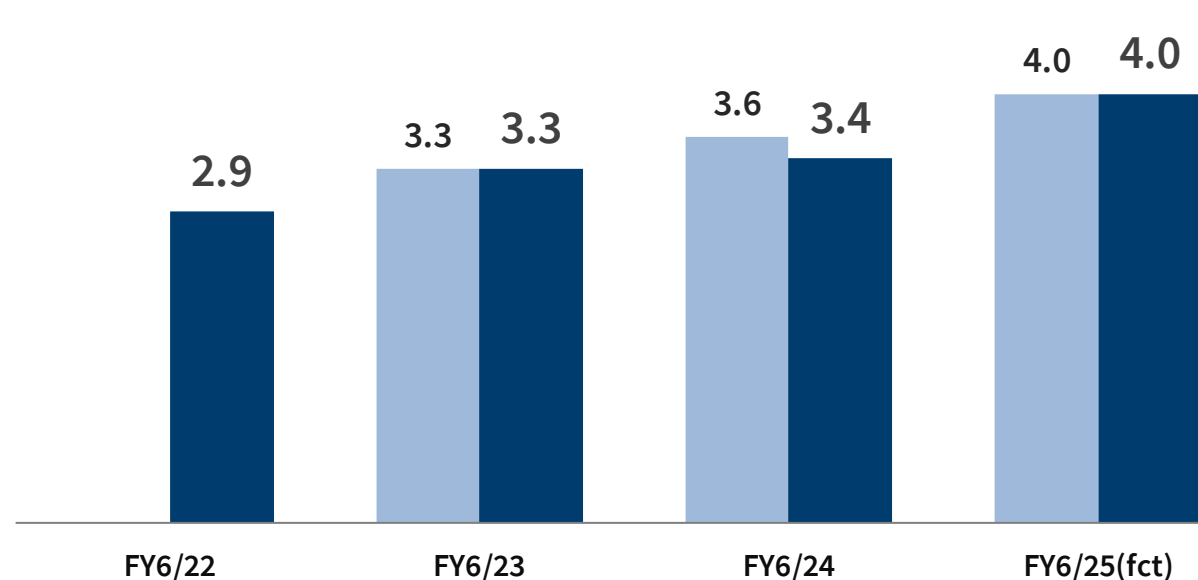
■ Initial Mid-term Management Plan   ■ Result · FY6/24 Forecast



### Ordinary Profit Plan

(¥bn)

■ Initial Mid-term Management Plan   ■ Result · FY6/24 Forecast

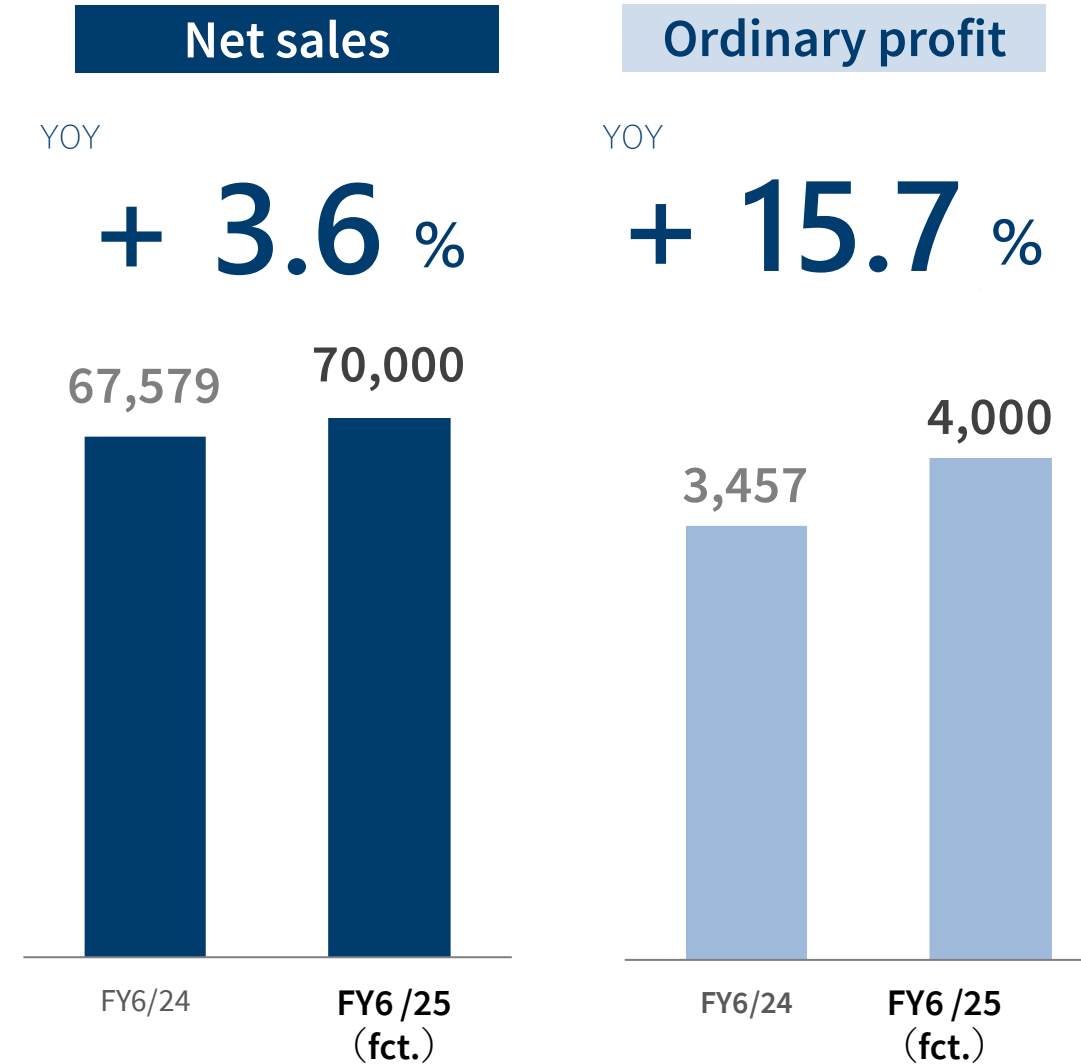




# FY6/2025 Forecast : Consolidated Earnings Forecast

(Unit: Million of yen)

	FY6/2024 Result	FY6/2025 (fct.)	YoY
Net sales	67,579	70,000	+ 3.6%
Operating profit	3,587	4,000	+ 11.5%
Ordinary profit	3,457	4,000	+ 15.7%
Profit	2,476	2,640	+ 6.6%
Earning per share(Yen)	124.75	132.62	—
Dividend per share(Yen)	43.00	45.00	+2.00
Dividend payout ratio	34.5%	33.9%	—



- Franchisee : Continue focusing on franchisee development in urban areas; aggressively invest in personnel and promotions
- House-Leaseback: Aim to expand House-Leaseback contracts, while maintaining a balance with the Real Estate Buying and Selling Business
- Finance: Accelerate building up the balance of guarantees, and contribute to Group earnings by securing ancillary real estate transactions
- Real Estate Buying and Selling : Carefully monitor asset turnover, and aim for further growth as a driver of the Group’s earnings

Unit: millions of yen	Net Sales			Operating Profit		
	FY6/2024 Result	FY6/2025 (fct.)	YoY change	FY6/2024 Result	FY6/2025 (fct.)	YoY change
Franchisee	3,237	3,450	+ 6.6%	2,011	2,200	+ 9.4%
House-Leaseback	26,088	26,528	+ 1.7%	3,208	3,250	+ 1.3%
Finance	491	627	+ 27.5%	105	240	+ 128.2%
Real Estate Buying and Selling	34,444	36,300	+ 5.4%	2,386	2,850	+ 19.4%
Real Estate Brokerage	1,655	1,544	- 6.7%	578	520	- 10.0%
Renovation Business	2,440	2,281	- 6.5%	234	200	- 14.6%

- **Expansion of growth-driving businesses**
- **Strategic utilization of House-Leaseback**
- **Financial strategies**
- **Overview of the New Five-year Plan**

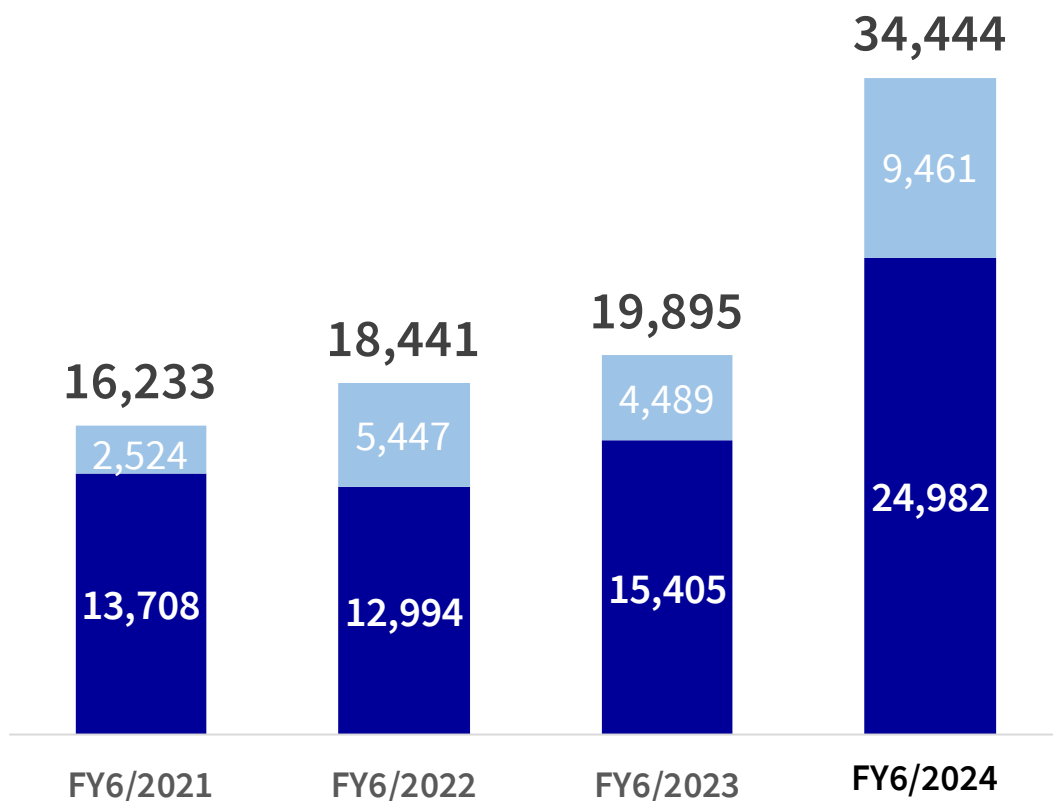
# Bolstering the Real Estate Buying and Selling Business

# Real Estate Buying and Selling

## Breakdown of Sales for Buying and Selling Business

■ Sales of mainstay residential properties increased 162% YoY

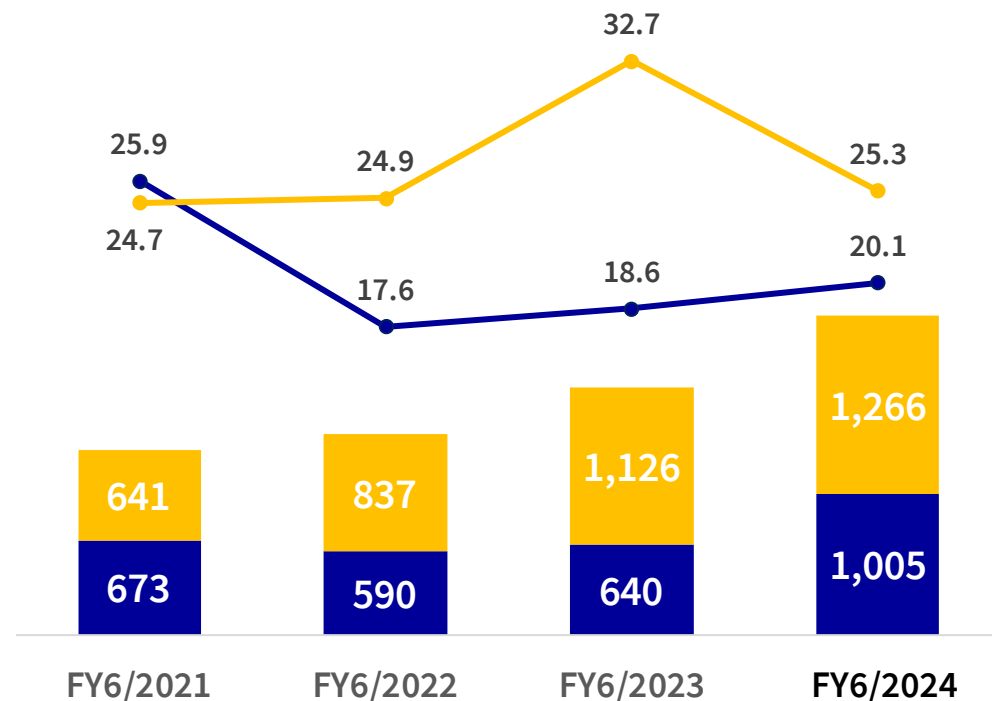
■ Residential    ■ Revenue, Large-Project, Others



## Changes in Purchase

■ Sales personnel and the no. of properties purchased/sold

■ No. of Sale    ■ No. of Purchased (No. of Unit)  
 ● No. of Sale per person    ● No. of Purchases per person



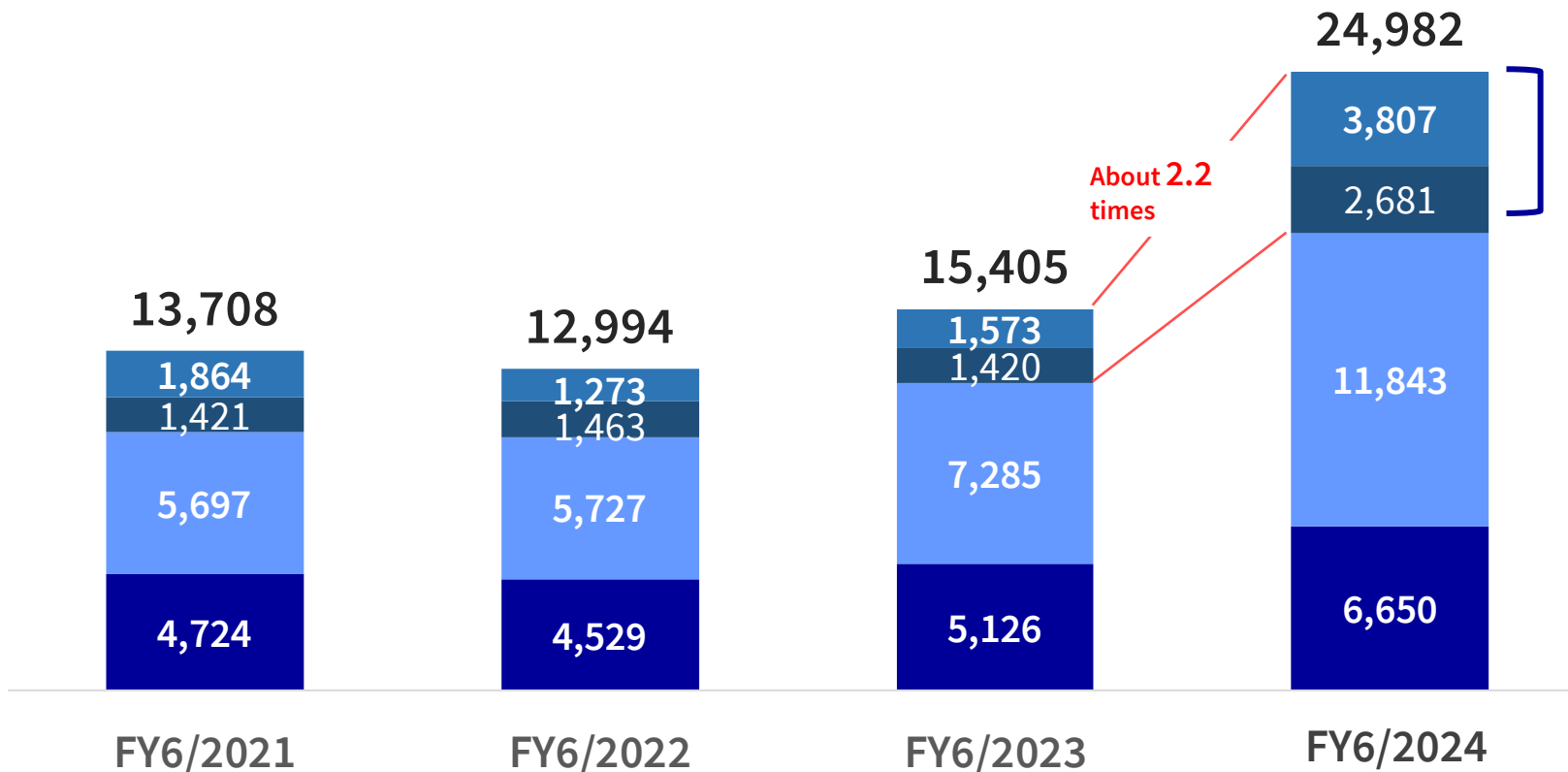
No. of Sales Person (average for the period) **26.0 people**    **33.6 people**    **34.4 people**    **50.0 people**

Note: FY6/21 excludes the special factor of the sale of large multi-unit lots.

# Breakdown of Residential Sales

Amid growing net sales of residential properties, the sales share of pre-owned properties, our focus, firmly increased (million of yen)

■ Newly Built House   
 ■ Land   
 ■ Pre-owned House   
 ■ Pre-ownend Condominium



Ratio of Pre-owned House

FY6/2023 **19.4%**

▼

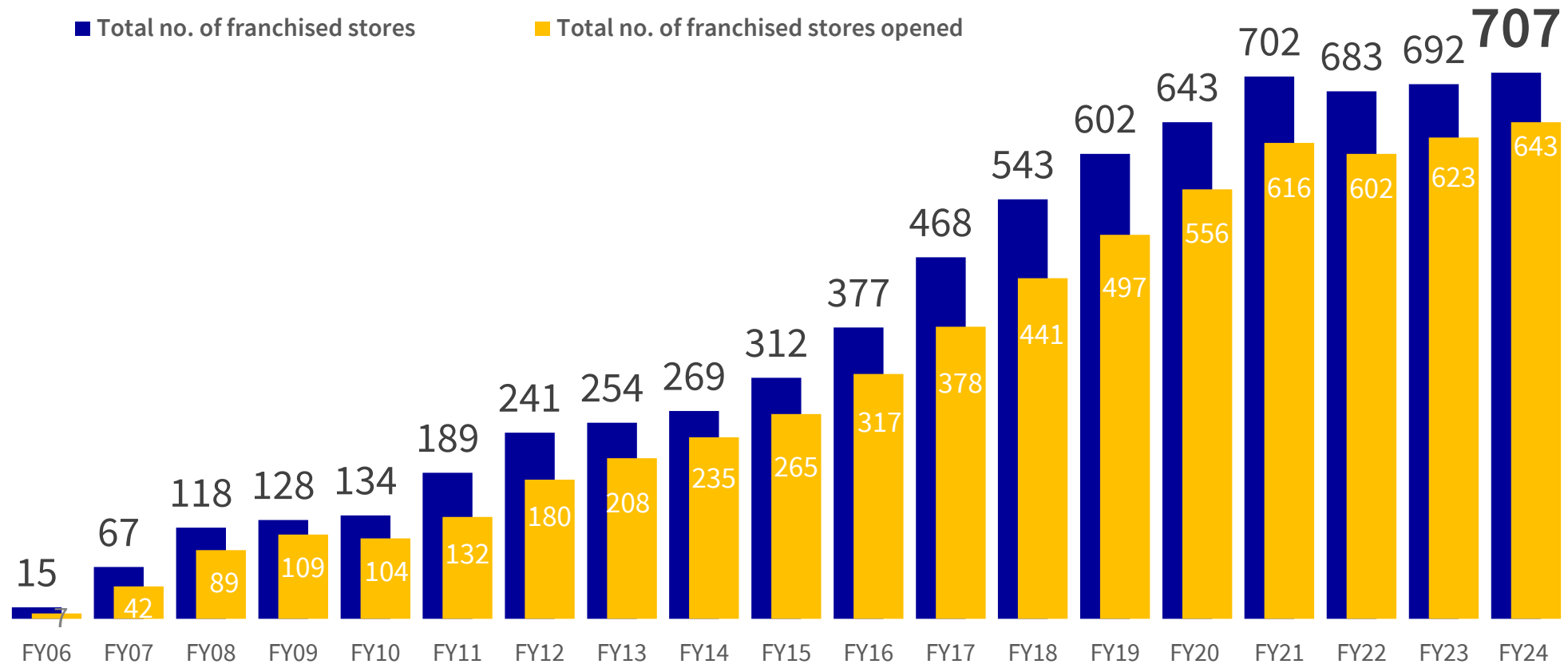
**26.0%**

# Increasing the Store Count in the Franchisee Business

# Franchisee Business : Changes in No. of stores

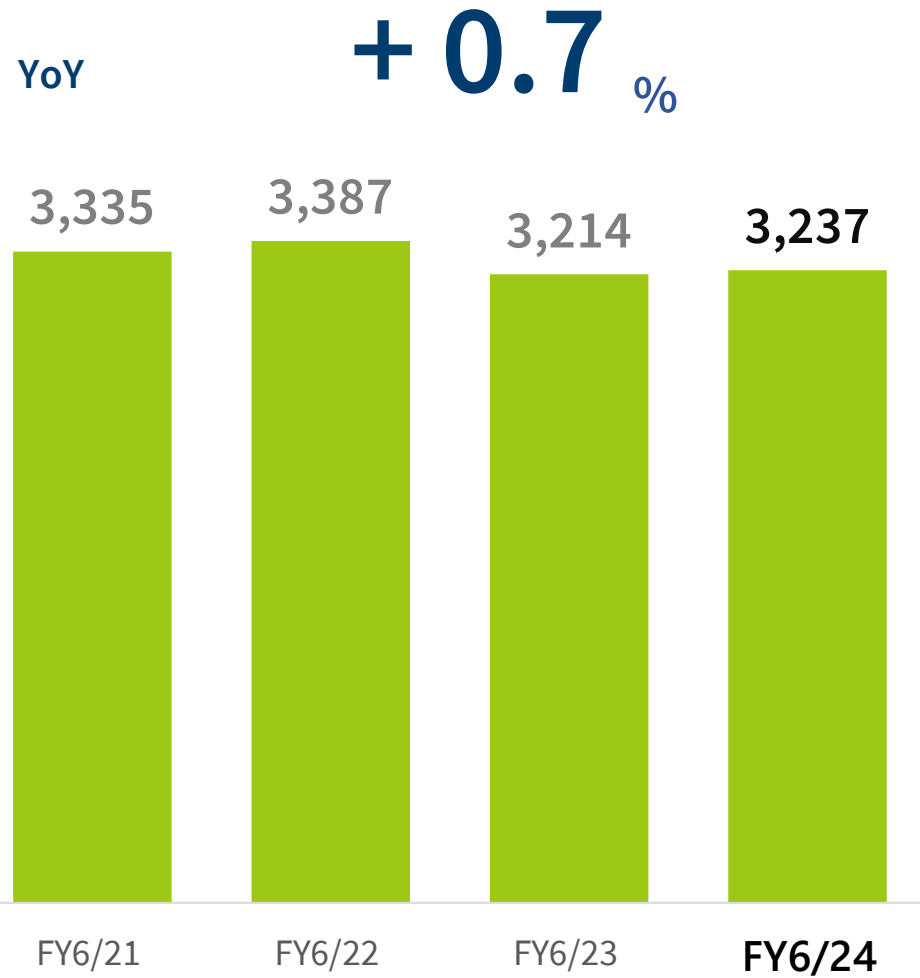
At the end of June 2024, there was a total of 707 franchised stores

Note: Including 64 stores preparing to open (including RENT Do)





## Change in Net Sales (Millions of yen)



## Changes in Operating Profit (Millions of yen)



# Expanding Reverse Mortgages (RM)

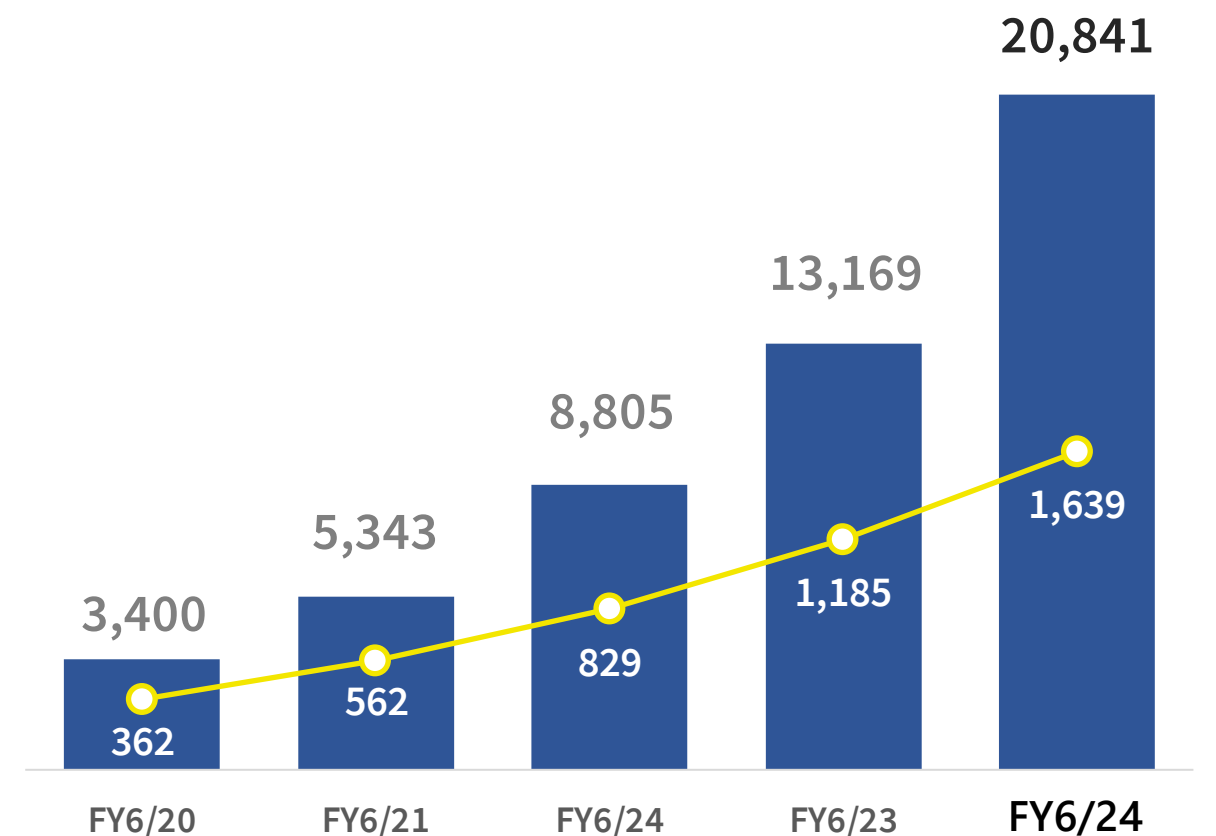
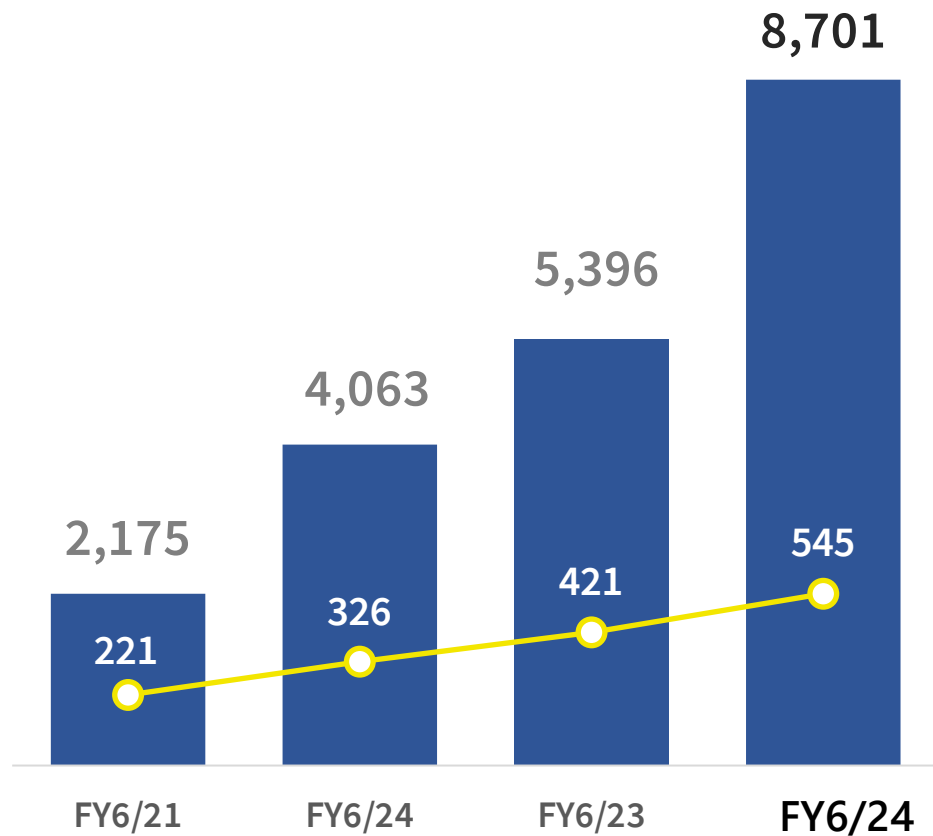
# Finance Business (Reverse Mortgage Guarantees)

No. /Balance of New Guarantees

Cumulative No. /Balance of guarantees

Balance for new guarantess (millions of yen)    No. of new guarantees

Total balance of guarantees (millions of yen)    Total no. of guarantees



## Disposal case 1: Purchasing the debtor's home (previously disclosed case)

Circumstances	<ul style="list-style-type: none"><li>● The debtor passed away, leaving seven heirs (none were living with the debtor)</li><li>● Heirs wished to settle the matter quickly, as they lived far away</li></ul>
Procedures	<ul style="list-style-type: none"><li>● The Group met with the representative of the heirs and proposed to directly purchase the debtor's home; the Group concluded a sales contract in about a month</li></ul>

## Disposal case 2: Prompt sales through brokerage (previously disclosed case)

Circumstances	<ul style="list-style-type: none"><li>● The debtor requested sales through an acquaintance, a real estate agent, but no progress was made even after six months have passed</li></ul>
Procedures	<ul style="list-style-type: none"><li>● The Group was able to sell the property within a month, and the debt was fully repaid</li></ul>

## Disposal case 3: Real estate purchase

### Circumstance

- A delinquency occurred on a reverse mortgage (second lien)
- The first lien was held by a different financial institution than the reverse mortgage provider

### Procedure

- The Group conducted a three-party meeting, including the first lienholder
- Based on the customer (debtor)'s intentions, the Group proposed to purchase the customer's home
- Debt was fully repaid two month after the delinquency occurred

### Key takeaway

- A case in which the Group was able to quickly purchase a property (customer's home) through three-party negotiations, including the first lien holder, in line with the customer's intentions

## Disposal case 4: Sales brokerage

### Circumstance

- The debtor passed away

### Procedure

- Heirs were considering selling inherited real estate (collateral)
- The collateral was a barbershop, and the Group provided estimates for removing remaining items and demolishing the building
- The Group brokered sales, and the debt was fully repaid

### Key takeaway

- A case in which the Group sincerely addressed the concerns of beneficiaries of a will, and brokered property sales to fully repay the debt

## Disposal case 5: Sales in collaboration with estate administrator

### Circumstance

- The debtor passed away, with no identified heirs
- The guarantor company filed a petition to appoint an estate administrator

### Procedure

- The Group held a meeting with the estate administrator after the administrator was appointed
- The Group managed all aspects of the property sale, including contacting the condominium management company and obtaining estimates for the removal of remaining items
- Debt is to be fully repaid through a real estate auction

### Key takeaway

- A case where the Group handled everything related to property sales, including the appointment of an estate administrator

## Strength

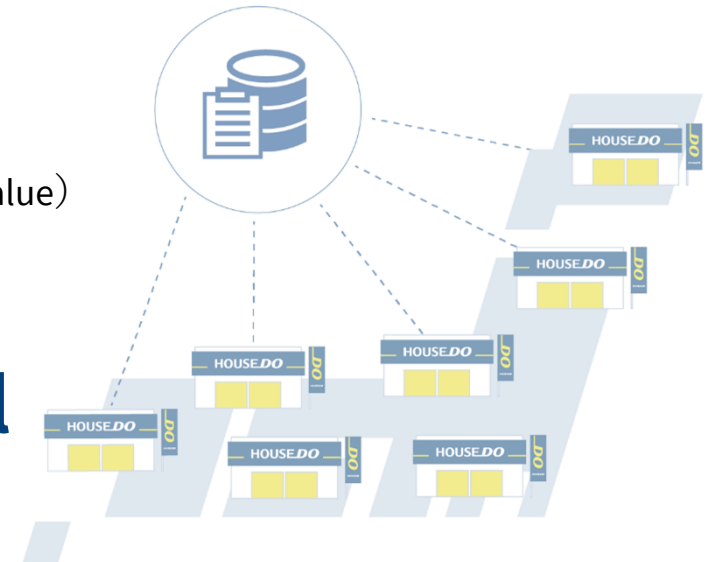
✓ Nationwide real estate appraisal and sales network

→ **About 3.3mn** nationwide transaction data

✓ Handle mortgages of all LTV ratios

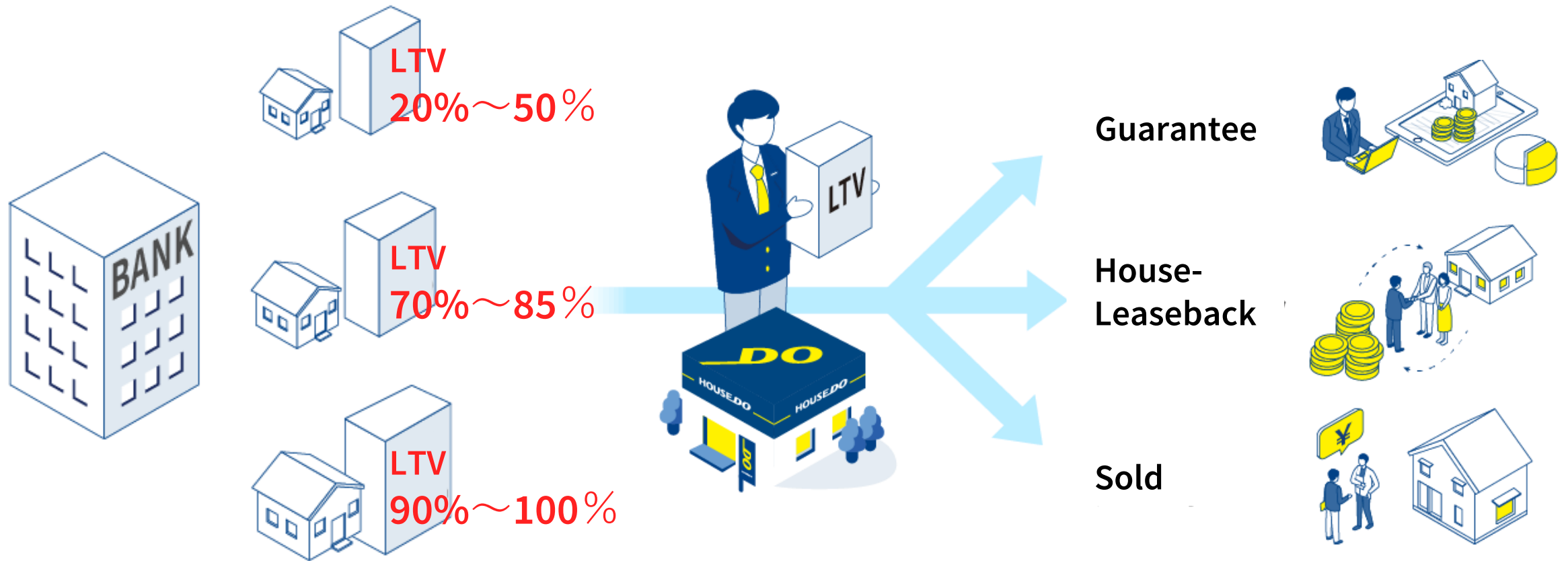
(\*LTV=Loan to Value)

✓ Expertise in amicable asset disposal





# What does it mean to support any LTV ?



# Expertise in amicable asset disposal

- Rather than taking on an adversarial approach, the Group is focused on aligning interests with customers and other stakeholders toward achieving a mutual goal, including promptly making proposals from the debtor's perspective and providing relocation support

**(Expertise garnered in the House-Leaseback Business)**

## 【Normal Flow】



20~25%  
Margin

## 【HOUSE DO】



**(direct selling)  
No intermediate  
margin**

# Strategic Utilization of House- Leaseback (HLB)

## Case study of switching from RM to HLB 1

### Circumstance

- The debtor was operating a real estate business, but was considering retiring due to old age
- The debtor consulted a financial institution about repaying loans, including RM

### Procedures

- The Group was contacted by the financial institution, and proposed the debtor switch to HLB
- The debtor repaid the loan using HLB, and closed down the business

### Key takeaway

- The Group proposed HLB to a debtor considering to close down a business, fully recovering the debt, including RM

## Case study of switching from RM to HLB 2

<b>Circumstance</b>	<ul style="list-style-type: none"><li>● A regional RM customer requested an increase in the loan amount to fund living expenses</li></ul>
<b>Procedures</b>	<ul style="list-style-type: none"><li>● The Group could not help the customer obtain an increased loan amount because the LTV ratio had already reached the maximum level</li><li>● Instead of raising the loan limit, the Group proposed the customer switch from RM to HLB</li></ul>

### Key takeaway

- In addition to RM, we provide solutions for a range of LTV ratios based on customer needs

## Case study of switching from RM to HLB 3

### Circumstance

- The debtor passed away, and the eldest daughter who was living with the debtor was the only heir
- The daughter consulted a financial institution to discuss her concerns about retirement funds and ways to continue living in her home

### Procedures

- The Group identified the daughter's needs at the time of estate planning consultation
- She concluded an HLB contract in about a month and a half after the consultation, and repaid the RM

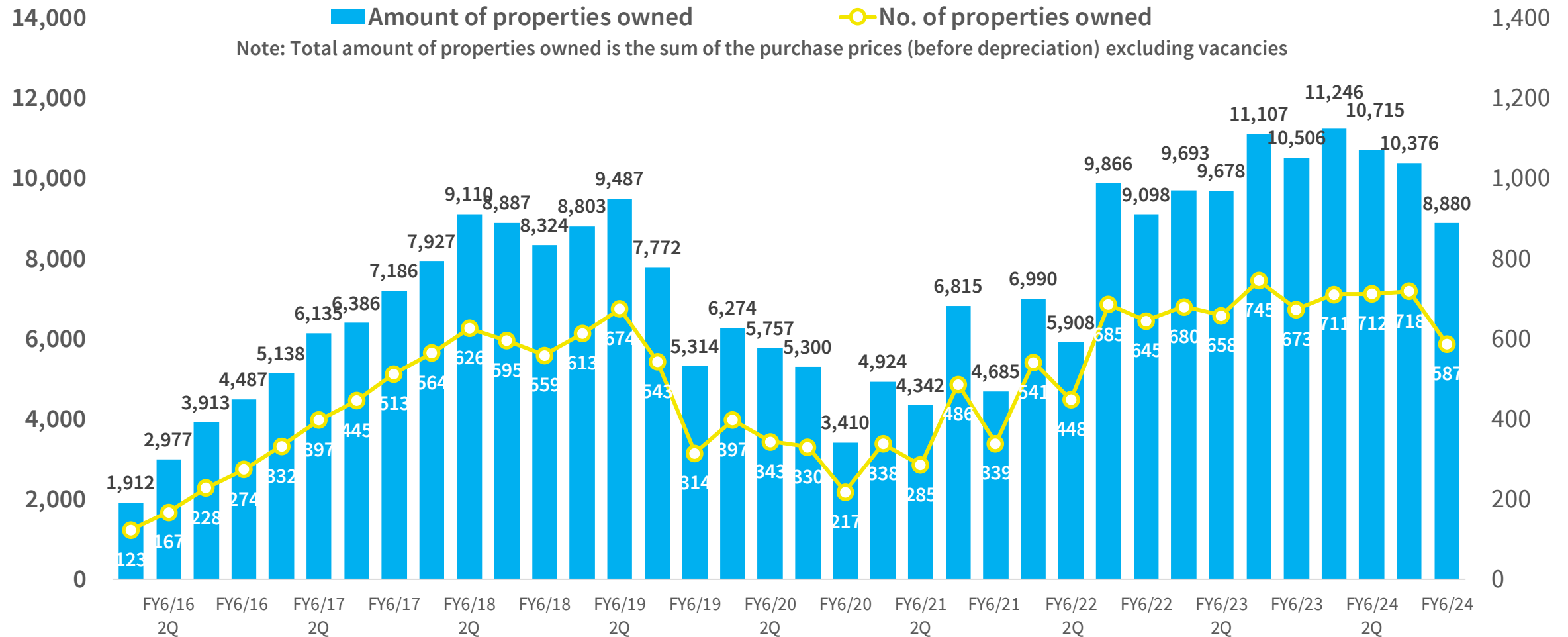
### Key takeaway

- A case in which an heir other than the debtor's spouse was able to continue living in the debtor's home even after the debtor's death

# Total Amount and No. of Properties Owned

Total amount of properties owned (Millions of yen)

No. of properties owned





Favorable winds

## ■ Reverse mortgage

(Switching from mortgage to reverse mortgage)

\*Case study in Sweden

## ■ Interest-paying products other than reverse mortgage (Under development)

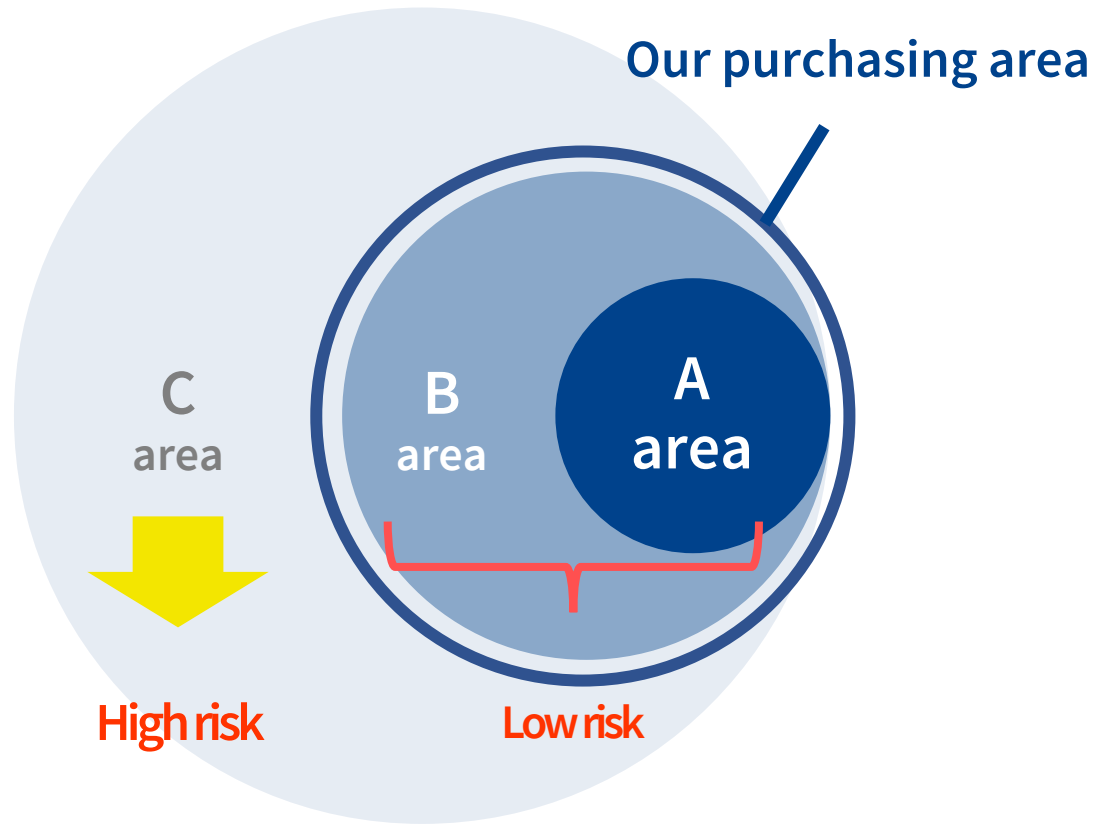








Rising Interest rate

# Financial Strategies

- ☑ **Large sales (post-pandemic divestment)**
- ☑ **Expand inventory in the Real Estate Selling and Buying Business**
  - Prioritize liquidity
  - Prioritize prime location
  - Prioritize turnover ratio
- ☑ **Strengthen partnerships with local financial institutions of regional areas**

## 【Housing Market】



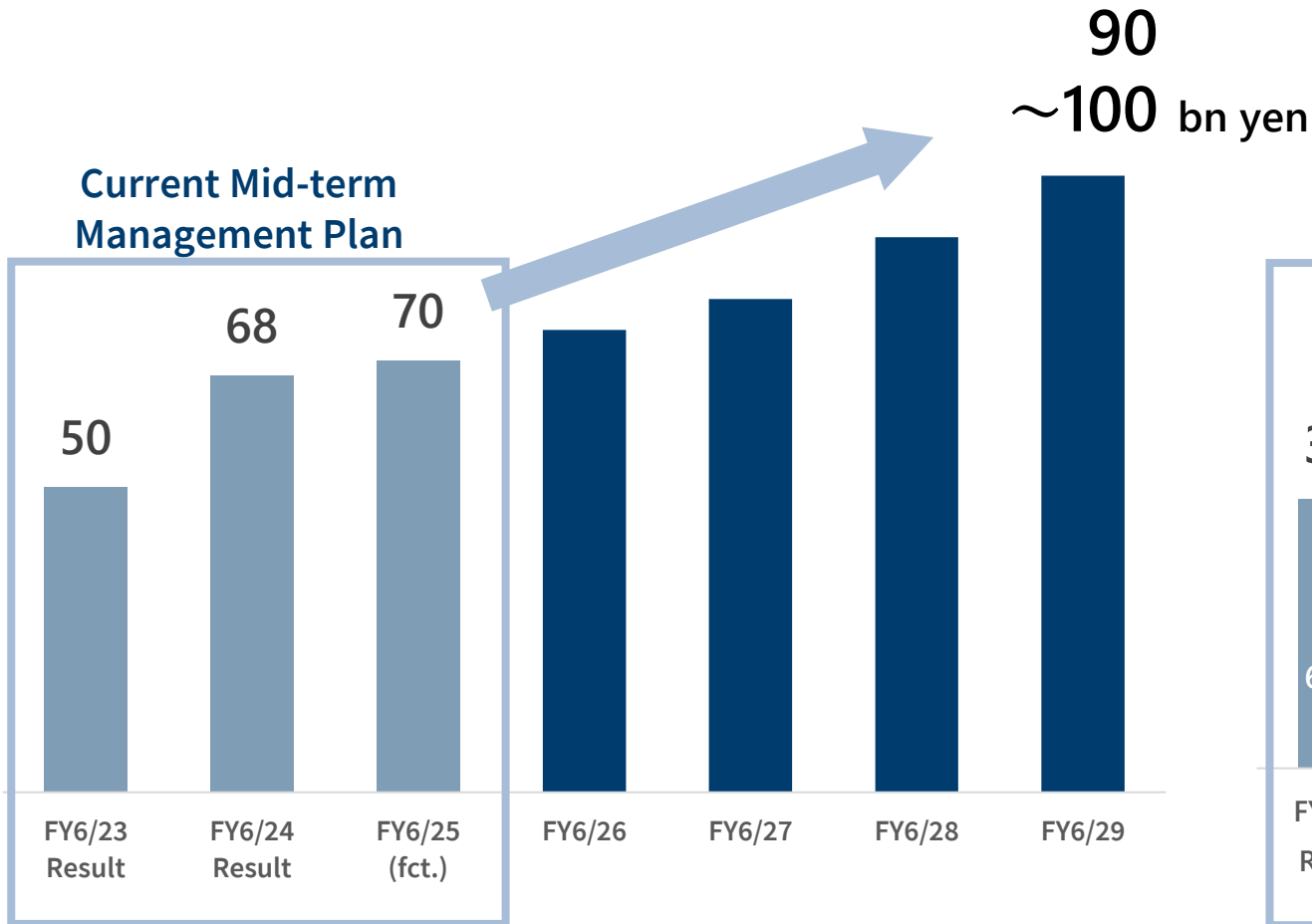
<p>Newly Build House</p>	<p>A : </p> <p>B : </p> <p>C :  ~ x</p>
<p>Pre-owned House</p>	<p>A : </p> <p>B : </p> <p>C : </p>

# Conclusion

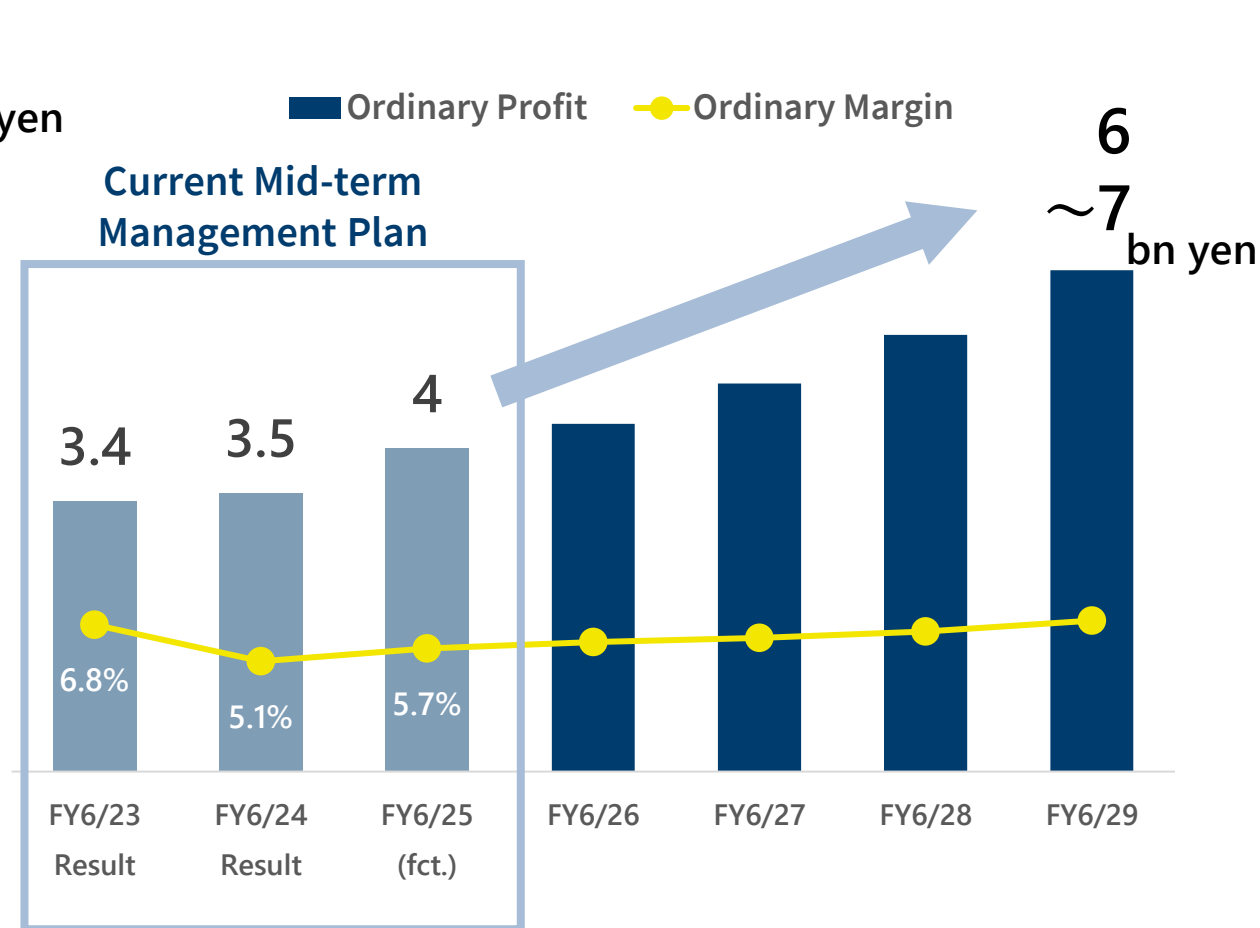
- ☑ Stabilize procurement (stable procurement without competition)
- ☑ Establish a sales network covering every corner of Japan

# Overview of the New Five-Year Plan

## Net Sales



## Ordinary Profit



Note : Figures for the period ending June 30, 2026 and thereafter are not forecasts.



# Innovate the industry!

- Making the industry that benefit customers -

Japan **1,000** stores Asia **50,000** stores



# &DO HOLDINGS

## Forward-looking Statements

Materials and information provided in this announcement contain forward-looking statements. These statements are based on expectations, forecasts and assumptions incorporating risk and uncertainties that may cause actual performance to differ from these statements.

Risk factors and other uncertainties include general economic conditions in Japan and other countries, such as industry and market conditions, and changes in interest rates and foreign exchange rates.

Even in the event of new information, a future event or some other event, the HOUSEDO Group has no obligation to update or revise the forward-looking statements in this announcement.

Note: Regarding the data by segment before the previous two fiscal year, the data before the segment classification review is included.

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